

South Carolina Department of Insurance

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BULLETIN NUMBER 2009-08

TO: All Insurers Transacting Private Passenger Automobile Insurance Business
in South Carolina

FROM: Scott H. Richardson, CPCU 
Director

SUBJECT: 2009 Uninsured Motorist Distribution

DATE: July 8, 2009

I. PURPOSE AND SCOPE OF THIS BULLETIN

South Carolina law provides that South Carolina drivers seeking to drive uninsured must pay annually a fee of five hundred fifty dollars (\$550) for the privilege of operating an uninsured vehicle on South Carolina highways or a three hundred dollar (\$300) reinstatement fee. *See, e.g.,* S.C. Code Ann. § 56-10-510 (Supp. 2008). These fees are deposited in the Uninsured Motorist Fund ("Fund") to be disbursed in accordance with §§ 38-77-151 through 38-77-155. Section 38-77-155 states that the Director of Insurance shall distribute monies annually from the Fund among the several insurers writing motor vehicle bodily injury and property damage liability insurance on motor vehicles registered in this state.

Within the next two weeks, insurers will begin receiving a check representing your company's portion of the uninsured motorist distribution based upon its 2008 market share. This amount was calculated pursuant to the requirements of § 38-77-155. The purpose of the Fund is to reduce the cost of uninsured motorist insurance coverage. Therefore, the method used to account for these funds must be consistent with the purpose set forth in § 38-77-154. Generally, such funds are treated as other income for purposes of the insurer's annual statement.

II. QUESTIONS

Please do not hesitate to contact Danny Edens, Finance Director, at (803) 737-6141 or via E-mail at dedens@doi.sc.gov if you have any questions or concerns about the amount of this year's distribution.

Bulletins are departmental interpretations of South Carolina insurance laws and regulations and provide guidance on the Department's enforcement approach. Bulletins do not provide legal advice. Readers should consult applicable statutes and regulations or contact an attorney for legal advice or for additional information on the impact of that legislation on their specific situation.